## REMARKS

The present Amendment amends claims 13-17, leaves claim 18 unchanged and cancels claims 1-12, 19 and 20. Therefore, the present application has pending claims 13-18.

It should be noted that the cancellation of claims 1-12, 19 and 20 was not intended nor should it be considered as an agreement on Applicants part that the features recited in claims 1-12, 19 and 20 are taught or suggested by Scroggie or Yamada. The cancellation of claims 1-12, 19 and 20 was simply intended to expedite prosecution of the present application. Applicants hereby reserve their right to pursue the invention as set forth in claims 1-12, 19 and 20 a divisional application.

Claims 13-18 stand rejected under 35 USC §112, second paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regards as their invention. Various amendments were made throughout claims 13-18 to bring them into conformity with the requirements of 35 USC §112, second paragraph. Therefore, this rejection with respect to claims 13-18 is overcome and should be withdrawn.

Specifically, amendments were made throughout claims 13-18 to overcome the objections noted by the Examiner in the Office Action.

Claims 13-18 stand rejected under 35 USC §103(a) as being unpatentable over Scroggie (U.S. Patent No. 6,014,634) in view of Yamada (JP 2002-163537). This rejection is traversed for the following reasons. Applicants submit that the features of the present invention as now recited in claims 13-18 are not taught or suggested by Scroggie or Yamada whether

taken individually or in combination with each other as suggested by the Examiner. Therefore, Applicants respectfully request the Examiner to reconsider and withdraw this rejection.

Amendments were made to the claims to more clearly describe features of the present invention as recited in the claims. Particularly, amendments were made to the claims to recite that the present invention is directed to a program provision server connected to a portable terminal over a network and an apparatus used in a service using a portable terminal for executing for a point management program.

The server and the apparatus includes a control unit and a communication unit for carrying out communication with the network.

According to the present invention the control unit generates a customer ID according to a request from the portable terminal and sends to the portable terminal a point management program with the generated customer ID incorporated therein.

The portable terminal includes a data input unit for inputting data, a data output unit for outputting data, a data storage unit for recording customer ID data and point data and a program execution unit.

Further, according to the present invention the point management program when executed in the portable terminal includes outputting the recorded customer ID data through the data output unit, receiving customer ID data and point data through the data input unit, comparing the received customer ID data with the recorded customer ID, updating the recorded point data using the received point data when a customer ID in the received

customer ID data is authenticated and storing the updated point data including the customer ID in the data storage unit.

The above described features of the present invention as now more clearly recited in the claims are not taught or suggested by any of the references of record whether said references are taken individually or in combination with each other. Particularly, the above described features of the present invention as now more clearly recited in the claims are not taught or suggested by Scroggie or Yamada whether said references are taken individually or in combination with each other as suggested by the Examiner.

Scroggie discloses a system and method for distributing incentives and shopping aids to retail customers through computer network and obtain customer information from server through communication network.

Whereas Yamada discloses a point management system using portable information terminal. As per Yamada, the portable information terminal is equipped with a communication function to obtain the identification code by log into the server through internet. An input terminal at storage has means to read the identification code that is displayed on the portable information terminal, and outputs calculated based on the transaction of commodities or services to the server through internet.

However, the above described teachings of both Scroggie and Yamada when taken individually or in combination with each other do not render obvious the claimed invention.

Particularly, according to the present invention the portable terminal has an input unit for inputting customer ID data and point data and an output unit for outputting the recorded ID. Further, according to the present invention

the portable terminal includes a point management program which is executed by the portable terminal so as to perform various processings including comparing a received customer ID data with a recorded customer ID, updating recorded point data using the received point data when a customer ID in the received customer ID data is authenticated and storing the updated point data including the customer ID in the data storage unit. Such features are clearly not taught or suggested by Scroggie or Yamada whether said references are taken individually or in combination with each other. Specifically, the portable terminal of the present invention manages points of various purchases without the use of the network, namely off-line as illustrated, for example, in Fig. 2 of the present application.

Both Scroggie and Yamada manage points according to their purchase over their network. Such processing as taught by Scroggie and Yamada has a disadvantage relative to the present invention in that the point data can only be updated when the terminal is connected to the server through a network. Such is not necessary according to the present invention.

Thus, both Scroggie and Yamada fail to teach or suggest a portable terminal having a program execution unit which execute the point management program so as to conduct outputting the recorded customer ID data through the data input unit, receiving customer ID data and point data through the data input unit, comparing the received customer ID data with the recorded customer ID, updating the recorded point data using the received point data when a customer ID in the received customer ID data is authenticated and storing the updated point data including the customer ID in the data storage unit as recited in the claims.

Therefore, as is clear from the above, both Scroggie and Yamada fail to teach or suggest the features of the present invention and as such when combined as suggested by the Examiner does not render obvious the claimed invention. Accordingly, reconsideration and withdrawal of the 35 USC §103(a) rejection of claims 13-18 as being unpatentable over Scroggie in view of Yamada is respectfully requested.

The remaining references of record have been studied. Applicants submit that they do not supply any of the deficiencies noted above with respect to the references utilized in the rejection of claims 13-18.

In view of the foregoing amendments and remarks, Applicants submit that claims 13-18 are in condition for allowance. Accordingly, early allowance of the present application based on claims 13-18 is respectfully requested.

To the extent necessary, the applicants petition for an extension of time under 37 CFR 1.136. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, or credit any overpayment of fees, to the deposit account of MATTINGLY, STANGER, MALUR & BRUNDIDGE, P.C., Deposit Account No. 50-1417 (500.43074X00).

Respectfully submitted,

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